

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
BOARD OF LAW EXAMINERS
July 1, 2002 to June 30, 2004

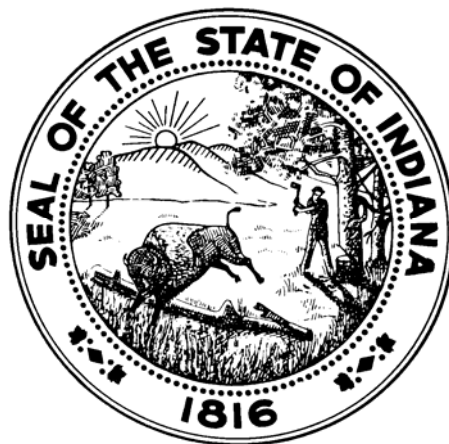


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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Ms. Mary Place Godsey	07-01-02 to 06-30-05
President of the Board	Ms. Kathryn A. Brogan Ms. Cynthia Gillard	12-01-01 to 11-30-03 12-01-03 to 11-30-05
Chief Justice of the Supreme Court	Hon. Randall T. Shepard	03-05-02 to 03-04-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BOARD OF LAW EXAMINERS

We have examined the Schedules of Receipts, Disbursements, and Cash and Investment Balances of the Board of Law Examiners, for the period of July 1, 2002, to June 30, 2004. The Board's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Receipts, Disbursements, and Cash and Investment Balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above present fairly, in all material respects, the cash transactions of the Board for the years ended June 30, 2003 and 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 11, 2005

BOARD OF LAW EXAMINERS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
As Of And For The Years Ended June 30, 2003 and 2004

	<u>2003</u>	<u>2004</u>
Cash and Investments, July 1	\$ 554,542	\$ 587,548
Receipts:		
Examination Fees (See Note 5)	216,745	225,190
Foreign Licenses Fees	43,050	51,450
Professional Corporation Fees	36,180	41,242
Limited Liability Partnerships/Corporations Fees	16,220	20,602
Business Council Fees	-	1,600
Interest	3,075	1,151
Miscellaneous	<u>857</u>	<u>1,307</u>
Total Receipts	<u>316,127</u>	<u>342,542</u>
Disbursements:		
Board Compensation	160,000	146,670
Board and Director Travel	16,809	20,309
Bar Exam and Ceremony	67,375	65,789
Monitor Services	19,740	16,705
Legal Services	11,876	3,293
Insurance and Maintenance	3,659	2,990
Computer and Office Equipment	786	6,671
Miscellaneous	<u>2,876</u>	<u>2,649</u>
Total Disbursements	<u>283,121</u>	<u>265,076</u>
Excess of Receipts Over Disbursements	<u>33,006</u>	<u>77,466</u>
Cash and Investments, June 30	<u>\$ 587,548</u>	<u>\$ 665,014</u>

The accompanying notes are an integral part of the schedule.

BOARD OF LAW EXAMINERS NOTES TO SCHEDULE

Note 1. Introduction

As a board of the judicial branch of government, the Board of Law Examiners is an adjunct of the Indiana Supreme Court. The Board oversees the Indiana Bar examination application process, administers and grades the examination, and arranges the admission ceremony.

Note 2. Fund Accounting

The Agency uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

Indiana Code 5-13-9 authorizes the Board to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Board contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Board authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

BOARD OF LAW EXAMINERS
NOTES TO SCHEDULE
(Continued)

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 5. Examination Fees

Bar examination fees are stated net of refunds.

BOARD OF LAW EXAMINERS
EXAMINATION RESULTS AND COMMENTS
June 30, 2004

DAILY DEPOSITS

As stated in our prior four reports (most recently B16516 and B20634), the Board of Law Examiners did not consistently deposit receipts collected for examination and admission fees to the Indiana Bar within the following business day after receipt of the funds.

Indiana Code 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

BOARD OF LAW EXAMINERS
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2005, with Ms. Mary Place Godsey, Executive Director.